

OPEN MEETING ITEM

ORIGINAL

9/8/11



COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR



0000128448

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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Gary Pierce, Chairman
Bob Stump, Commissioner
Sandra D. Kennedy, Commissioner
Paul Newman, Commissioner
Brenda Burns, Commissioner

FROM: Matthew J. Neubert *[Signature]*
Director of Securities

DATE: August 18, 2011

RE: Ulf Olof Holgersson, Docket No. S-20762A-10-0416

CC: Ernest G. Johnson, Executive Director

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

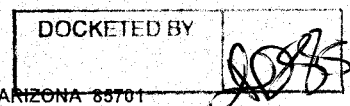
Please find attached a proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same regarding Ulf Olof Holgersson ("Order"). On October 14, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing regarding a Proposed Order to Cease and Desist, Order for Restitution, and Order for Administrative Penalties against Ulf Olof Holgersson ("Holgersson").

From on or about December 2005 to May 2008, Holgersson offered and sold to investors investments involving stock trading and promissory notes issued by Holgersson. Holgersson represented to the investor that he would "borrow" their money and invest it in the stock market. Holgersson further represented to investors that their funds would earn at least five percent per month, and that the investment was "safe" from loss. After the investment, Holgersson provided the investors with statements showing that their investments had grown tremendously, but almost immediately thereafter, he sent them a letter stating that he lost all of their money in trading in the commodities market. The Order finds that Holgersson violated §§ 44-1841 and 44-1842 by offering and selling securities that were neither registered nor exempt from registration while Holgersson was neither registered as a dealer or salesman. The Order also finds that Holgersson violated A.R.S. § 44-1991 by making untrue statements or misleading omissions of material facts.

Arizona Corporation Commission
DOCKETED

AUG 22 2011

Originator: William Black



1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE, Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
 BRENDA BURNS

7 In the matter of:

) DOCKET NO. S-20762A-10-0416

8 ULF OLOF HOLGERSSON and
9 LAVERNE J. ABE, formerly husband and
10 wife, doing business as Viking Asset
 Management, an Arizona registered trade
 name,

) DECISION NO. _____

11 Respondents.

) **ORDER TO CEASE AND DESIST, ORDER
) FOR RESTITUTION, ORDER FOR
) ADMINISTRATIVE PENALTIES AND
) CONSENT TO SAME
) BY: RESPONDENT ULF OLOF
) HOLGERSSON**

13 Respondent ULF OLOF HOLGERSSON, doing business as Viking Asset Management,
14 ("Respondent") elects to permanently waive any right to a hearing and appeal under Articles 11 and
15 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this
16 Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent
17 to Same ("Order"). Respondent admits the jurisdiction of the Arizona Corporation Commission
18 ("Commission"); neither admits nor denies the Findings of Fact and Conclusions of Law contained
19 in this Order; and consents to the entry of this Order by the Commission.

20 **I. FINDINGS OF FACT**

21 1. ULF OLOF HOLGERSSON ("HOLGERSSON") is an individual who, at all
22 relevant times, resided in Maricopa County, Arizona. HOLGERSSON is a native and citizen of
23 Sweden.

24 2. Laverne J. Abe was, at all relevant times, the spouse of HOLGERSSON. Laverne J.
25 Abe may be referred to as "Respondent Spouse."
26

1 3. On June 19, 2007, a petition for dissolution of marriage was filed in Arizona (FN2007-
2 002720) and a decree of dissolution of marriage of HOLGERSSON and Laverne J. Abe was entered
3 on September 7, 2007.

4 4. Respondent Spouse is joined in this action under A.R.S. § 44-2031(C) solely for
5 purposes of determining the liability of the marital community.

6 5. At all relevant times, HOLGERSSON acted for his own benefit and for the benefit or
7 in furtherance of his and Respondent Spouse's marital community.

8 6. At all relevant times, HOLGERSSON was not registered as a securities dealer or
9 salesman.

10 7. From on or about December 2005 to May 2008, HOLGERSSON offered and sold to
11 15 investors investments involving stock trading and promissory notes issued by HOLGERSSON.

12 8. HOLGERSSON met with investors and prospective investors at his home in
13 Phoenix, Arizona where he showed them his market trading area consisting of computers and
14 numerous screens showing market activity and trades in real time. At all relevant times,
15 HOLGERSSON is alleged to have held a seat on the Chicago Mercantile Exchange.

16 9. HOLGERSSON represented to the investors that he would "borrow" their money
17 and invest it in the "stock market," specifically futures contracts on stock and financial indexes
18 such as the S&P 500, Dow Jones Industrial Average, and Russell 2000 Index, through a "fund"
19 called Viking Asset Management.

20 10. Viking Asset Management ("Viking") is a trade name that was registered with the
21 Arizona Secretary of State on July 12, 2006 by Industrial Sound Dampening, LLC ("ISD"), a
22 member-managed Arizona limited liability company of which HOLGERSSON is the sole member.
23 HOLGERSSON opened and maintained a bank account on behalf of ISD doing business as Viking
24 ("the Viking Account").

25 11. HOLGERSSON represented to investors that he would return their principal
26 investments with interest accruing at the rate of five percent per month.

1 12. HOLGERSSON represented to the investors that, if he made any more than five
2 percent per month on the investment of their money in the market, he would receive that excess as
3 compensation.

4 13. After forwarding their investment funds to HOLGERSSON, the investors had no
5 duties to perform or responsibilities to fulfill in order to receive their promised, five percent per month
6 interest.

7 14. HOLGERSSON deposited all of the investors' money into either the Viking
8 Account or his personal bank account. He did not set up individual bank or brokerage accounts for
9 the investors.

10 15. HOLGERSSON transferred the investors' money from the Viking Account or his
11 personal bank account to his personal brokerage accounts. Whether to transfer an investor's money
12 all at once or in partial increments was at the sole discretion of HOLGERSSON and investors were
13 provided with no input in this regard.

14 16. On a monthly basis, HOLGERSSON provided each of the investors with a
15 document entitled "Account Report" that showed amounts invested by and/or repaid to the investor
16 during a particular month and the amount of interest accumulated both monthly and year to date.
17 The Account Report also shows a "Total Account Value."

18 17. The investors received Account Reports until April 2008. The April 1, 2008
19 Account Report of one investor who invested \$192,500 showed a Total Account Value of
20 \$599,237.

21 18. The Account Reports were merely records of the amounts invested by the investors
22 and illustrations of the investments earning the promised five percent per month interest. The
23 Account Reports and their monthly increasing Total Account Values did not reflect accurately the
24 actual value of the investments at a particular point in time.

3. HOLGERSSON violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. HOLGERSSON violated A.R.S. § 44-1842 by offering or selling securities while neither registered as dealers or salesmen nor exempt from registration.

5. HOLGERSSON violated A.R.S. § 44-1991.

6. HOLGERSSON's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

7. HOLGERSSON's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

8. HOLGERSSON's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

9. HOLGERSSON acted for the benefit of his marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order of restitution and administrative penalties is a debt of the marital community.

III. ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and HOLGERSSON's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032 that HOLGERSSON and any of his agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED that HOLGERSSON comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that HOLGERSSON shall, individually, pay restitution to the Commission in the amount of \$957,983. Of this amount, \$800,198 shall, jointly and severally with HOLGERSSON, be paid by the marital community of

1 HOLGERSSON and Laverne J. Abe. This amount represents the amount received from investors
2 prior to June 19, 2007, the date a petition for dissolution of marriage was filed in Arizona (FN2007-
3 002720). The Commission shall apply any restitution payments received first to the obligation
4 owed by HOLGERSSON and Laverne J. Abe's marital community (\$800,198) until paid in full.
5 Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona" to
6 be placed in an interest-bearing account controlled by the Commission. Any principal amount
7 outstanding shall accrue interest at the rate of 10 percent per annum from the date of this Order
8 until paid in full.

9 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
10 records of the Commission. Any restitution funds that the Commission cannot disburse because an
11 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
12 investor because the investor is deceased and the Commission cannot reasonably identify and
13 locate the deceased investor's spouse or natural children surviving at the time of the distribution,
14 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the
15 Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse
16 shall be transferred to the general fund of the state of Arizona.

17 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that HOLGERSSON shall,
18 individually, pay an administrative penalty in the amount of \$50,000. Payment is due in full on the
19 date of this Order. Payment shall be made to the "State of Arizona." Any amount outstanding shall
20 accrue interest from the date judgment is entered at the rate of 10 percent per annum.

21 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
22 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
23 shall be applied to the penalty obligation.

24 If Respondent HOLGERSSON does not comply with this Order, any outstanding balance
25 may be deemed in default and shall be immediately due and payable.
26

1 IT IS FURTHER ORDERED, that if Respondent HOLGERSSON fails to comply with this
2 order, the Commission may bring further legal proceedings against him, including application to
3 the superior court for an order of contempt.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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8 CHAIRMAN

COMMISSIONER

9
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11
12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation Commission,
14 have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of
Phoenix, this _____ day of _____, 2011.

15
16
17 ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

18
19 DISSENT

20
21
22 DISSENT

23 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA
24 Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

25 (wwb)

1
2 **CONSENT TO ENTRY OF ORDER**

3 1. ULF OLOF HOLGERSSON ("Respondent") admits the jurisdiction of the
4 Commission over the subject matter of this proceeding. Respondent acknowledges that he has been
5 fully advised of his right to a hearing to present evidence and call witnesses and knowingly and
6 voluntarily waives any and all rights to a hearing before the Commission and all other rights
7 otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
8 Administrative Code. Respondent acknowledges that this Order To Cease And Desist, Order for
9 Restitution, Order for Administrative Penalties and Consent to Same ("Order") constitutes a valid
final order of the Commission.

10 2. Respondent knowingly and voluntarily waives any right under Article 12 of the
11 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
12 resulting from the entry of this Order.

13 3. Respondent acknowledges and agrees that this Order is entered into freely and
14 voluntarily and that no promise was made or coercion used to induce such entry.

15 4. Respondent acknowledges that he has been represented by an attorney in this matter,
16 Respondent has reviewed this Order with his attorney, and understands all terms it contains.

17 5. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law
18 contained in this Order. Respondent agrees that he shall not contest the validity of the Findings of
19 Fact and Conclusions of Law contained in this Order in any present or future proceeding in which
20 the Commission or any other state agency is a party concerning the denial or issuance of any
21 license or registration required by the state to engage in the practice of any business or profession.

22 6. By consenting to the entry of this Order, Respondent agrees not to take any action or
23 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of
24 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual
25 basis. Respondent will undertake steps necessary to assure that all of his agents and employees
26 understand and comply with this agreement. Notwithstanding the foregoing, nothing in this Order

1 is intended to collaterally estop Respondent from defending himself in any administrative, civil or
2 criminal proceedings to which the Commission is not a party.

3 7. While this Order settles this administrative matter between Respondent and the
4 Commission, Respondent understands that this Order does not preclude the Commission from
5 instituting other administrative or civil proceedings based on violations that are not addressed by
6 this Order.

7 8. Respondent understands that this Order does not preclude the Commission from
8 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
9 that may be related to the matters addressed by this Order.

10 9. Respondent understands that this Order does not preclude any other agency or
11 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
12 proceedings that may be related to matters addressed by this Order.

13 10. Respondent agrees that he will not apply to the state of Arizona for registration as a
14 securities dealer or salesman or for licensure as an investment adviser or investment adviser
15 representative until such time as all restitution and penalties under this Order are paid in full.

16 11. Respondent agrees that he will not exercise any control over any entity that offers or
17 sells securities or provides investment advisory services within or from Arizona until such time as
18 all restitution and penalties under this Order are paid in full.

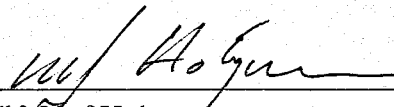
19 12. Respondent acknowledges that restitution, in the amount of \$800,198, imposed by
20 this Order is an obligation of the Respondent as well as the marital community of Respondent and
21 Laverne J. Abe.

22 13. Respondent consents to the entry of this Order and agrees to be fully bound by its
23 terms and conditions.

24 14. Respondent acknowledges and understands that if he fails to comply with the
25 provisions of the order and this consent, the Commission may bring further legal proceedings
26 against him, including application to the superior court for an order of contempt.

1 15. Respondent understands that default shall render him liable to the Commission for
2 its costs of collection and interest at the maximum legal rate.

3 16. Respondent agrees and understands that if he fails to make any payment as required
4 in the Order, any outstanding balance shall be in default and shall be immediately due and payable
5 without notice or demand. Respondent agrees and understands that acceptance of any partial or late
6 payment by the Commission is not a waiver of default by the Commission.

7
8 
9 Ulf Olof Holgersson

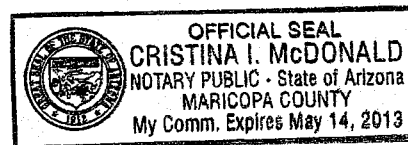
10 STATE OF ARIZONA)
11) ss
12 County of *Maricopa*)

13 SUBSCRIBED AND SWORN TO BEFORE me this 9th day of August, 2011.

14 
15 NOTARY PUBLIC

16 My commission expires:

17 5-14-2013



SERVICE LIST FOR: ULF OLOF HOLGERSSON

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Counsel for Laverne J. Abe

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GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ULF OLOF HOLGERSSON and LAVERNE J. ABE, formerly husband and wife, doing business as Viking Asset Management, an Arizona registered trade name,

DOCKET NO. S-20762A-10-0416

NOTICE OF FILING OF PROPOSED OPEN MEETING AGENDA ITEM

Respondents.

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached Memorandum and proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same by Respondent Ulf Olof Holgersson was filed with the Arizona Corporation Commission's Docket Control.

Dated: 8/22/11

By: William Black
William Black
Assistant Chief Counsel of Enforcement
Securities Division of the
Arizona Corporation Commission

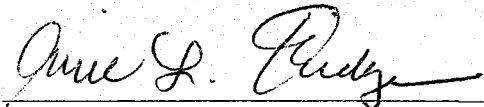
I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by [delivering a copy thereof in person to/by mailing a copy thereof, properly addressed with first class postage prepaid to]:

Alan S. Baskin
BADE & BASKIN PLC
80 East Rio Salado Parkway, Suite 511
Tempe, AZ 85281-9106
Counsel for Respondent Ulf Olof Holgersson

1 Gregory A. Larson
2 RUCHTMAN WILENCHIK & LARSON, PLLC
3 7373 E. Doubletree Ranch Road
4 Scottsdale, AZ 85258
5 Counsel for Respondent Laverne J. Abe

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Dated: 8/22/11

By:


Emie R. Bridges, Executive Assistant